# MARYLAND HEALTH CARE COMMISSION

## *UPDATE OF ACTIVITIES*

**October 2003**

## DATA SYSTEMS & ANALYSIS

### Data Base and Software Development

**Board of Physicians and Board of Pharmacy – Web-Based Renewal Initiatives**
The Board of Physicians completed their annual renewal process. This year about 53 percent physicians renewed their license via the renewal website developed by MHCC staff. The application collected over $3 million in renewal fees. Table 1 presents the final status of the physician renewal initiative. In 2004, the Board expects to require all physicians to renew electronically.

The Board of Pharmacy will launch the pharmacist renewal web application designed by MHCC staff next month. Unlike the physician renewal application, the application will remain active throughout the year because pharmacists renew their licenses on a revolving basis based on their date of birth.

The MHCC developed the applications for the Board of Physicians and Board of Pharmacy because data collected as part of licensure by these organizations is used in planning and analysis efforts. It is unlikely that either agency would have been able to implement these applications by themselves.

**Table 1**
**Final Status on the Board of Physicians – License Renewal System**

| Tracking | Total | % |
|---|---|---|
| Number of Physicians | 11126 | |
| Never Logged On (Submitted on paper or did not renew) | 4949 | 44 % |
| Logged On | 6177 | 56 % |
| Logged On, Did Not Complete | 266 | 2 % |
| Completed | 5911 | 54 % |
| **Financial** | **Total** | **%** |
| Fees Collected | $3,071,320 | |

**Maryland Long-Term Care Survey**
The deadline for completing the 2002 Long Term Care Survey was October 20. Comprehensive care, sub-acute care, assisted living and adult day care centers are required to complete the survey. These survey data are used extensively in the Nursing Home Quality Measurement

System and in a variety of health planning studies. Table 2 presents the reporting status at the official conclusion of the survey. Compliance in completing the web-based survey has been excellent. Only thirty-five facilities had not completed the survey at the conclusion survey period. Staff is currently working with these facilities to ensure compliance.

**Table 2 – Maryland Long-Term Care Survey**
**Reporting Status on October 20, 2003**

**2002 LONG TERM CARE SURVEY TRACKING**
10/21/2003

| | |
|---|---|
| Start Date | 8/21/2003 |
| Days Left | 0 |
| Ending Date | 10/20/2003 |

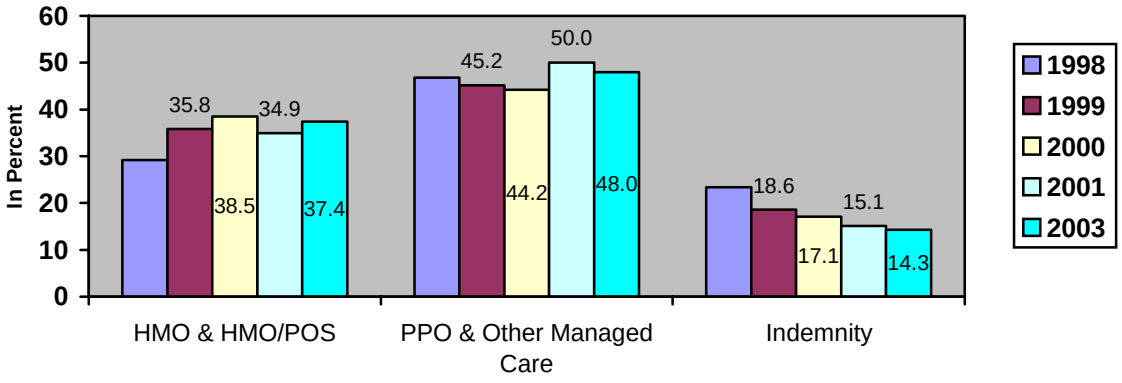
| Tracking | All | Comp | Assisted | Comp/Assist | Adult | Extended | Subacute | Chronic |
|---|---|---|---|---|---|---|---|---|
| Not Started | 9<br>1 % | 0<br>0 % | 9<br>3 % | 0<br>0 % | 0<br>0 % | 0<br>0 % | 0<br>0 % | 0<br>0 % |
| In Progress | 26<br>4 % | 10<br>5 % | 10<br>3 % | 1<br>7 % | 4<br>3 % | 0<br>0 % | 1<br>5 % | 0<br>0 % |
| Completed and Under Review | 68<br>10<br>% | 23<br>11 % | 36<br>12 % | 0<br>0 % | 6<br>5 % | 0<br>0 % | 1<br>5 % | 2<br>29 % |
| Rejected and Being Corrected | 70<br>10<br>% | 22<br>10 % | 37<br>12 % | 3<br>21 % | 6<br>5 % | 0<br>0 % | 2<br>11 % | 0<br>0 % |
| Corrected and Under Review | 7<br>1 % | 2<br>1 % | 2<br>1 % | 0<br>0 % | 1<br>1 % | 0<br>0 % | 2<br>11 % | 0<br>0 % |
| Completed and Accepted | 503<br>74<br>% | 157<br>73 % | 217<br>70 % | 10<br>71 % | 98<br>85 % | 3<br>100 % | 13<br>68 % | 5<br>71 % |
| Total Surveyed | 683 | 214 | 311 | 14 | 115 | 3 | 19 | 7 |
| Exempted | 8 | 0 | 6 | 0 | 0 | 0 | 2 | 0 |
| Total LTC Facilities | 691 | 214 | 317 | 14 | 115 | 3 | 21 | 7 |

**Medical Care Data Base Development**

The Commission's data base contractor has completed initial edits on data submissions for the 2002 Medical Care Data Base (MCDB). The MCDB contains information submitted by private insurance companies on services provided by health care professionals in the state. Total service volume remained steady from last year at just under 70 million services. Figure 1 shows that about 85 percent of all services are provided in either preferred provider organization (PPO) or health maintenance organization (HMO) settings. This percentage was stable from 2001 to 2002. The share is slightly higher than the share of 83 percent in 2000 and 81 percent in 1999. The share of claims reported by HMOs climbed in 2002 from 2001. HMO enrollment as a percent of total enrollment; however, continued to fall in 2002, down more than 5 percent from 2001. The climb in HMO share of services is probably due to a shift from capitation to fee-for-service and possibly some relaxation in referral and authorization requirements. The new CareFirst HMO product that was launched in 2002 does not make extensive use of capitation. The predecessor

product, FreeState, made extensive use of capitation. In addition, other HMOs in the state have also move toward more fee-for-service.

**Figure 1: Percent of Services Provided By Delivery System For Private Payers**




**Cost and Quality Analysis**

**State Health Care Expenditure Report – Slated for Release in January**
Staff continues to prepare estimates for the *2002 State Health Care Expenditure Report* (SHEA). The report will be divided into eight sections, which will be limited to approximately two pages with not more than two to three essential messages per section. One or two charts, or very short tables, will be used to illustrate these messages. The topics covered in the report are as follows:

- How much did Maryland spend for health care?
- Where were Maryland's health care dollars spent?
- Who paid for Maryland's health care?
- How much did health care expenditures grow?
- What types of services accounted for the growth in expenditures?
- What payers accounted for most of the growth in expenditures?
- Did HMOs have a different cost experience?
- How affordable was private health coverage in 2002?

Each two to three page section will be organized to facilitate answering policy-relevant questions. More detailed tables will follow the main text section of the report. The detailed tables will be organized to expand on the main messages from each section.

**HRSA State Planning Grant Activities**
Staff will release the report Maryland Insurance Coverage through 2002 at the November Commission meeting. This report will present, in an easy to follow graphical and text chart book, information on the insurance coverage in the state. Staff anticipated releasing the report in October; however, CPS results released by the Census Bureau on September 28 showed a statistically significant jump in the number of uninsured in the state. The extra month has allowed staff to incorporate the most recent data into the report. The release in November is timed to coincide with several meetings on options for expanding insurance coverage. The MHCC has contracted with Madison Design Group to assist in designing the report.

**EDI Programs and Payer Compliance**

**Maryland Trauma Physicians Fund**
MHCC has been informed that Medicaid will delay the November 1 implementation date for paying the elevated Medicare rate on Trauma services until December 1. The delay is due to problems Medicaid has encountered in implementing the HIPAA transaction requirements. These problems have delayed other planned program changes. The delay applies to traditional Medicaid and Health Choice. The MHCC will inform the 680+ doctors on our mailing list of the delay later this week. A letter from Joe Davis, the Director of Operations at Medicaid, will accompany our letter.

The Medicaid delay has no impact on other provisions in SB 479. MHCC intends to accept applications for uncompensated care trauma services provided on or after October 1, 2003 as well as Trauma Centers' on-call expenses after that date. Applications for payment under those provisions are due in April 2004. The staff is also in the initial stages of developing an RFP to identify a vendor that could audit trauma applications as required under SB. 479.

**HIPAA Awareness**
The new federal standards on transactions became effective on October 16th. The release of a contingency plan by CMS in September reduced anxiety about the deadline. The contingency plan permits CMS to continue to accept and process claims in the pre-HIPAA electronic formats, giving providers additional time to complete the testing process. CMS will regularly reassess the readiness of its trading partners to determine how long the contingency plan will remain in effect. Private payers have released contingency plans that offered providers a similar option. These decisions virtually eliminated the risk that the electronic claim system would collapse around October 16th. MHCC has found that it was business as usual for most payers and providers during the week. However, providers can not become complacent as the CMS Contingency Plan emphasized that providers had to continue to make good faith efforts to comply with the new standards. CMS specifically stated that it would be reviewing its decision on how long claims would be accepted in the pre-HIPAA formats.

The staff continues to work with Maryland providers on becoming compliant with the HIPAA transaction requirements. During the past month, members of staff have responded to approximately three calls per day related to HIPAA compliance issues. Staff members made presentations and briefing to the following organizations:

- Carroll County Board of Aging.
- Board of Audiologists
- Eastern Shore Medical Group Managers Association
- Maryland Chiropractic Association
- Frederick Memorial Hospital
- Maryland State Dental Association
- Doctors Community Hospital
- Western Maryland Health System.
- EPIC Pharmacies

**Electronic Health Network (EHN) Certification**
The staff initiated communications with Global Health Networks regarding EHN certification. This organization is a hospital information systems vendor and is considering becoming an EHN. If Global Health Networks wishes to contract with Maryland payers, it would be required to

receive accreditation from the Electronic Health Network Accreditation Commission (EHNAC) and certification from MHCC. WebMD, ANSLink, and RealMED have submitted applications for renewal of their MHCC EHN certifications. WebMD is the largest EHN in the country, ANSLink is active in the dental industry, and RealMED is currently working with a number of payers to develop real-time electronic adjudication systems. Staff recommends approval of all three applications.

PERFORMANCE & BENEFITS

## Benefits and Analysis

**Comprehensive Standard Health Benefit Plan (CSHBP)**
As a result of the enactment of Chapter 93 of the Laws of Maryland 2003 (SB 477), this year's financial analysis of the CSHBP (presented to the Commission in June) was based on the newly established 10-percent cap, with historical data also included using a 12-percent cap. Last summer, Commission staff conducted two meetings of various interested parties to review any proposed changes to the CSHBP to keep the overall cost of the plan below the 10 percent affordability cap. Public hearings were held on September 23rd in Annapolis and on October 2nd at MHCC. As a result of the carrier survey and the feedback from stakeholders, staff will present recommended changes to the CSHBP to the Commission at its October meeting. Mercer will present its evaluation of proposed benefit changes and the two-year projection of costs and wages. The Commission will be asked to vote on all recommended changes to the CSHBP. Any action taken by the Commission will result in proposed regulations that will be published in the *Maryland Register* as early as mid-December 2003, subject to a 45-day comment period. The Commission will take final action at the February or March 2004 meeting. All adopted changes to the CSHBP will be put into regulations and implemented, effective July 1, 2004.

Another provision of the new law requires the Commission, in consultation with the Maryland Insurance Administration (MIA), to analyze and make recommendations on the administrative expenses in the small group market including the amount and distribution of administrative costs, strategies for lowering these costs, and the appropriateness of the medical loss ratios. This report is due by January 1, 2004. In addition, by December 1, 2003, the Commission must prepare a report outlining the methodology used by the Commission in developing the CSHBP, and the feasibility of creating a "Basic Plan" in addition to the CSHBP.

Commission staff has developed a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, chambers of commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

**Evaluation of Mandated Health Insurance Services**
At the November 2002 meeting, Mercer presented its evaluation of mandated health insurance services as to their fiscal, medical and social impact, along with all proposed mandates that failed during the 2002 General Assembly session to the Commission for release for public comment. At the December 2002 meeting, the Commission approved the report for release to the legislature after some modifications to the Executive Summary. The final report was sent to the General Assembly in January 2003, and is available on the Commission's website at: www.mhcc.state.md.us/cshbp/mandates/finalmercerreport02.pdf.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, § 15-1502 of the Insurance Article was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the 2003 General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 requires the Commission to evaluate all existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate. The first of these reports is due to the legislature by January 1, 2004.

**Legislative and Special Projects**

**Uninsured Project**
DHMH, in collaboration with MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the one year grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A fourth meeting with the Health Care Coverage Workgroup was held on June 5, 2003. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of

members who represent the provider, business, health care advocacy, and health care research communities in the state. During the June meeting, additional information was presented on options pertaining to the small group and individual markets, and the options for 19 to 25 year olds. In addition, staff from DHMH, the MHCC, and the Johns Hopkins University presented data on Maryland's uninsured population, preliminary findings from the cost of non-insurance study, and findings from the MCHP Premium focus groups. The next meeting with the Workgroup will be November 10, 2003.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services this month and the final report due in July 2004. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. In addition, a report will be produced for the legislature in January 2004.

**Patient Safety**

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees — the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee — on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in October and discussed the various goals and activities the Coalition will undertake. MHCC staff is working with the Coalition on the development and implementation of several activities. The Coalition is scheduled to meet November 5th in Hanover, Maryland.

In addition, Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Offerors are asked to submit proposals outlining their qualifications and projected workplan for the Center by December 2, 2003. Criteria for the award are specified in the RFP and will be the basis for the designation. Federal grant funding was not awarded.

## Facility Quality and Performance

### Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

The Commission participated in the Centers for Medicare and Medicaid Services (CMS) pilot program with five other states from April though early November 2002. At the conclusion of the pilot, CMS conducted a national rollout of the CMS Nursing Home Quality Initiative on November 12, 2002. The Commission's website was subsequently updated in January 2003 to reflect the final CMS Nursing Home Quality measures. Seven of the 10 quality measures reported on the CMS website are featured on the Maryland Guide in the same format as the current Quality Indicators are, utilizing the symbols that separate the top 20%, bottom 10% and all others. CMS is in the process of adding additional quality measures to the site beginning in November. The Nursing Home Performance Evaluation Steering Committee will discuss the advisability of adding these measures to the MHCC Website.

The quality measures, quality indicators, and deficiency report data were all updated in September 2003 to reflect the most recently available data.

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement is to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. The evaluation should be completed in April 2004.

The Commission is also contracting for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines. This project is expected to conclude in August 2004.

The Nursing Home Performance Evaluation Guide Steering Committee will meet on November 6, 2003 via conference call to provide input on the implementation of the two new projects.

### Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission

also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide includes quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. DRG data are currently being updated to include admissions occurring between December 1, 2001 and November 30, 2002 and will be posted on the Website in November 2003.

The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003.

The Commission also convened an Obstetrics Workgroup on September 16, 2003 and October 9, 2003 to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. This group will hold approximately three meetings and then forward recommendations to the Hospital Performance Guide Steering Committee.

On August 25, 2003 the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. The evaluation should be completed in April 2004. The Hospital Performance Evaluation Guide Steering Committee will meet on November 6, 2003 to provide input on the implementation of the project.

The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. Delmarva will assist CMS with the following -

- Test the collection and reporting of the JCAHO/CMS performance measure sets;
- Test the AHRQ sponsored standardized patient experience (satisfaction) survey;
- Test additional performance measures as determined by the pilot states;
- Determine the least burdensome ways for hospitals to meet upcoming public reporting requirements;

- Determine how to integrate CMS mandated reporting with existing state level public reporting activities;
- Determine how to involve stakeholders in the development and execution of hospital public reporting activities.

The Hospital Report Card Steering Committee serves as the steering committee for the pilot and has been expanded to include additional rural, minority, payer, and business/employer representatives. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

Hospitals from the three states are currently participating in a patient satisfaction survey pilot. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data are now being analyzed for expected release in November 2003.

Following completion of the pilot, the Maryland Hospital Report Card Steering Committee will evaluate the results of the study to determine if the instrument will meet the needs of Maryland consumers and to determine the best method of incorporating the data into the existing *Maryland Hospital Performance Evaluation Guide*. If the pilot is successful, Maryland residents will have another source of information with which to make important healthcare decisions.

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), are participating in a voluntary initiative that encourages every hospital in the country to collect and publicly report quality information.

The "starter set" of measures draws from three of JCAHO's Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). This information, in addition to being on the MHCC website, was released on the CMS Website (www.medicare.gov) on November 6, 2003.

**Ambulatory Surgery Facility Report Card**

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASF). The Commission developed a web-based report that was also released on May 16, 2003. The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

## HMO Quality and Performance

### Distribution of HMO Publications

**Distribution of 2002 HMO Publications - Final Totals**

| Cumulative distribution – publications released 9-23-02 | 9/23/02 - 9/29/03 | |
|---|---|---|
| | Paper | Web-based |
| ***The 2002 Consumer Guide to Maryland HMOs & POS Plans*** **(25,000 printed)** | 22,344 | Interactive version Visitor sessions = 1,803 |
| | | PDF version Visitor sessions = 4,916 |
| ***2002 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland*** **(700 printed)** | 662 | Visitor sessions = 3,005 |
| ***The 2002 Guide to Maryland HMOs & POS Plans for State Employees*** **(60,000 printed)** | 60,000 | |

**2003 Policy Report (2002 Report Series) –**
**Released January 2003; distribution continues until January 2004**

| ***Policy Report on Maryland Commercial HMOs & POS Plans*** **(1,200 printed)** | 1/16/03—9/30/03 | |
|---|---|---|
| | Paper | Web-based |
| | 801 | 1,095 |

**Distribution of 2003 HMO Publications – released September 29, 2003**

| Cumulative distribution – publications released 9-29-03 | 9/29/03 - 9/30/03 | |
|---|---|---|
| | Paper | Web-based |
| ***Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide*** **(25,000 printed)** | 10,546 | Interactive version Visitor sessions = 204 |
| | | PDF version Visitor sessions = 348 |
| ***2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland*** **(700 printed)** | 91 | Visitor sessions = 71 |
| ***Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide*** **(60,000 printed)** | 60,000 | |

**2003 Press Conference**
This year's press conference was held on September 29th in a recently constructed facility of the University of Maryland, Baltimore campus. Hosted in the auditorium at the Health Sciences Facility II Building, the 2003 HMO/POS press conference became one of the first events held there. The cornerstone of the presentation, the Consumer Guide, which targets the broadest audience, demonstrated for the audience the many changes implemented in 2003. Reports designed for other audiences, the State Employee Guide and the Comprehensive Report, were each released at the event as well. In addition to remarks by Delegate Peter Hammen and Senator Delores Kelley, Barbara Gassaway of The Family Research Group spoke about how findings from focus groups conducted last spring were instrumental in the development of the current Consumer Guide. Staff from the Public Affairs Department of the University of Maryland School of Medicine assisted with the facility logistics, which included technical support for the A/V equipment. Press coverage, to date, has included: focused articles in the *Baltimore Sun*, the *Washington Post* - Health Section, and *The Capital*. Additionally, several articles in the *Sun* and *Post* covering health insurance have excerpted portions of this year's report or referred readers to the Commission for further information. Barbara McLean's radio interviews with WBAL and WVNA, a radio station in Annapolis, were broadcast shortly after the press conference.

**Distribution of Publications**
Division staff continued distribution activities throughout the month. Letters to organizations and legislators were drafted and mailings prepared for the first phase of distribution. This phase included preparation and processing pre-conference shipments to public libraries and embargoed copies for: plans, several legislators, and selected government contacts. Supplies of Evaluation Guide Bookmarks were depleted to fulfill requests from libraries and other parties interested in receiving HMO materials. Before restocking our inventory, the bookmark will be updated.

Due to the date of the publications' release, staff will continue focusing on fall distribution throughout October. During this phase, groups that regularly receive quantities of the Consumer Guide will receive them. Requests from individuals that have been received to date have all been filled.

Distribution for three of the 2002 series of HMO publications is complete. Final counts for all three of these HMO publications are indicated in the first table above. A final distribution figure for the Policy Report will be available in January when the new report is released.

Reporting electronic distribution of this Division's publications has resumed. After intensive examination of data logs by Data Systems staff, the analysis revealed concurrent data collection errors in the program. New "rules" were created to eliminate erroneous counting of documents that no longer exist; e.g. 2001 reports, and over-counting reports that do exist. Statistics reported in the tables above reflect counts of completed "downloads" for HMO documents posted on the MHCC Web site. These results more closely approximate the number of visitors selecting a report and are more analogous to paper distribution counts.

**2003 Performance Reporting: CAHPS Survey and HEDIS Audit**
**Audit of HEDIS Data:** HealthcareData.com, LLC (HDC) has developed a "proto-type" tool that combines all of the current MHCC measures into one document. Associated instructions, notes, and spreadsheet for reference data that is linked to all measures (e.g., member months) complete the tool. This tool was developed from feedback by plans and HMO Quality and Performance staff to improve the efficiency and accuracy of the data collection process during 2004.

HDC has completed all seven deliverables for the 2003 audit season and has provided us with an update on changes to HEDIS 2004. Information on changes in the audit process for 2004 will be provided to the Commission. This is the final year of the two-year option period.

**Consumer Assessment of Health Plan Study (CAHPS Survey):** the Department of Budget and Management has approved the one-year option, the third and final year under this contract. Procurement for a new multi-year contract for survey administration will begin in early spring 2004.

**Performance Report Development Contract**
NCQA has completed four of the deliverables under this contract. Each September the report development vendor provides plans with plan-specific reports that contain only their individual results and the Maryland averages for measures appearing in the HMO publications. These reports demanded considerable review, editing, and reformatting this year. Efforts to automate the production of this sub-set of reports created extensive errors and had to be abandoned to ensure accuracy. Staff will address this issue during a debriefing session next February.

**Interactive Web-based Consumer Guide**
The Consumer Guide was converted into a dynamic format by Glows in the Dark, a web design firm. Departing from past reliance on an outside vendor to host this version of the report, MHCC has assumed hosting and monitoring functions for this document in addition to all other HMO reports. The contractor provided MHCC with supporting documentation that will assist staff in troubleshooting problems or performing edits. The current dynamic version retains the same functionality as previous editions, and has been enhanced with additional internal navigational ability.

## HEALTH RESOURCES

**Certificate of Need**

During September 2003, staff issued seven determinations of coverage by Certificate of Need review on the Commission's behalf. Two hospital proposals for capital expenditures received determinations that Certificate of Need review is required. Union Hospital of Cecil County had sought confirmation that its planned renovation and expansion of its inpatient bed capacity (as part of an ongoing $22 million capital project that had previously received a determination of non-coverage pursuant to "the pledge" not to seek a related rate increase) still did not require CON review. Because the addition of acute care beds to result from this part of the project, not described in the 2002 pledge request, "results in a substantial change in the bed capacity of a health care facility," Commission statute requires that this portion of Union Hospital's project obtain CON approval. Good Samaritan Hospital requested a determination that it could separate early construction phases and their related costs from its CON project currently under review; this is not permissible under a CON procedural regulation that defines the work in question as inseparable from the project for which CON approval is still at issue.

During the review period, Xavier-Kensington, a Montgomery County nursing facility, sought and received a determination authorizing the temporary delicensure of 70

comprehensive care facility (CCF), effective September 8, 2003. Staff also issued four determinations of non-coverage related to office-based operating or procedure rooms.

**Acute and Ambulatory Care Services**

A report describing recommended changes to the regulations governing the acute care bed need projection methodology will be released at the October Commission meeting. Staff is seeking comments on the recommended changes through an informal public comment period. The deadline for submission of comments on all the proposed changes to the regulation, as described in the report, is 4 p.m. on Monday, November 24, 2003.

These recommended changes are presented in the working paper titled *Recommended Changes to the Acute Care Bed Need Projection Methodology, and the 2010 Bed Need Forecast*. The acute care bed need methodology is a component of the State Health Plan chapter on Acute Care Services. It describes the process and policies involved in calculating a forecast of future bed need for acute medical/surgical beds and for pediatric beds. The regulation that incorporates the need projection methodology, COMAR 10.24.10.07, is presented as an attachment to the report. Two types of changes are recommended: (1) new "target values" (the expected future values of hospital discharge rates and average length of stay), which are routine inputs to the methodology that are adopted through the regulatory process whenever the projections are revised; and, (2) changes to the steps and policies in the methodology, including the scale of bed occupancy rates applied to projected average daily census to calculate gross bed need.

Additionally, the report includes an updated forecast of medical/surgical and pediatric bed need for 2010, which employs the recommended revisions to the methodology. The assumptions concerning future discharge rates and average length of stay, which are variables routinely updated within the regulation whenever an updated projection is developed, are included as part of this updated forecast.

A report that included a draft updated bed need projection and a discussion of issues with the current methodology was released for informal public comment in July 2002. Comments received in response to this release and subsequent discussions with an Acute Care Planning Workgroup of Maryland hospital representatives have assisted Commission staff in developing these recommended changes and the proposed bed need forecast for 2010.

The sixth edition of the *Maryland Ambulatory Surgery Provider Directory* is now available. It will be released at the October Commission meeting, and mailed to all ambulatory surgery providers and to anyone else who requests a copy. The *Directory*, using information from the Commission's 2002 Survey of Freestanding Ambulatory Surgery Facilities, will also be available on the Commission's website.

**Long Term Care and Mental Health Services**

Work is continuing on the development of an updated hospice survey for 2003. Staff of this division have completed a series of site visits to various hospice programs to gain input from providers on the availability of various data items. A draft survey has been developed and a meeting with the Hospice Network will be held in the beginning of November. Staff is also working on the development of a bid to assess interest in developing an online survey for hospice.

A conference call was held on October 17, 2003 with Myers and Stauffer, the contractor working with the MDS data. They have completed the first set of tasks for the Long Term Care Chartbook. Work continues in updating the database, which will soon comprise data from 1999 through 2002.

Staff of the Long Term Care Division, along with staff from the Data Systems and Analysis Division met with Ellen Singer of SSS, who will be assisting staff in the development and refinement of the nursing home bed need methodology.

**Specialized Health Care Services**

At the Commission's meeting on July 17, 2003, Commission staff presented its recommendations for a new State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17). The draft State Health Plan was posted on the Commission's website for a 30-day informal public comment period, beginning July 21, 2003 and ending August 20, 2003. During that period, the Commission received written comments from the following: Adventist HealthCare; Anne Arundel Medical Center; Carroll County General Hospital; Dimensions Healthcare System; Doctors Community Hospital; Frederick Memorial Hospital; GBMC Healthcare; Holy Cross Hospital; LifeBridge Health; MedStar Health; Henry Meilman, M.D.; North Arundel Health System; Shore Health System; Southern Maryland Hospital Center; St. Agnes HealthCare; St. Joseph Medical Center; Suburban Hospital; and University of Maryland Medical Center. The Commission's September 18th meeting was cancelled because of inclement weather, and action on the draft plan was postponed until October. The Commission will consider and take action on the draft proposed regulations on October 30th.

At the meeting on October 30th, Commission staff will present a Statistical Brief on Cardiac Surgery and Percutaneous Coronary Intervention Services for release to the public. The brief is one of a series designed to provide data annually for monitoring the availability and utilization of certain health care resources in compliance with the Commission's State Health Plan for Facilities and Services.

At its meeting on October 23rd, the Work Group on Rehabilitation Data reviewed and discussed the modification of the annual reporting period for the discharge abstract data, corrections to the discharge abstract data for the first and second quarters of calendar year 2003, and preparation of a statistical brief on acute inpatient rehabilitation services. The Work Group will hold its next meeting in March 2004.